

REPORT ON ACTIVITIES OF THE SUPERVISORY BOARD IN 2019

In 2019, the Supervisory Board (SB) performed their activities as prescribed in Charter of SSI Securities Corporation and Operation Regulations of the SB.

- Mr. Nguyen Van Khai, Head of the SB, represented the SB to participate in all meetings of the Board of Directors (BOD) in 2019.
- The SB conducted 2 regular meetings on February 23 and September 12, 2019, and performed activities in according with the procedures of SB's operation. The supervised results are recorded as follows:

Supervision of members of the Board of Directors, Chief Executive Officer and Board of Management

The BOD and Board of Management directed the Company operations according to the objectives set by the General Meeting of Shareholders at the annual meeting. So far, the SB had found no violations of responsibilities and obligations of the Company's managers. Information on transactions with internal persons and related persons was fully disclosed as required.

In the management and administration activities, no violation or error was found from regulators.

2020 with Covid-19 pandemic has made economic prospect gloomy in most of the business areas in general and SSI in specific. Board of Management should closely monitor the market movements to develop detailed plans and scenarios, as well as comprehensive solutions to ensure a safe and effective business operation.

Compliance to regulations and the Company's Charter, and execution of resolutions of General Meeting of Shareholders

The Company's operations in 2019 were in compliance with regulations of law as well as the Company's Charter. The Company strictly complied with regulations on information disclosure for securities companies, which were also a listed company on HOSE. Internal people fully complied with regulations on information disclosure when trading SSI shares.

The Company fully implemented the decisions of the General Meeting of Shareholders.

Evaluate the performance of internal management system:

No material findings were noted by the SB on the processes reviewed by Internal Control Department. The backlogs are primarily related to the incomprehensive standardization of operating procedures.

Risk management for margin financing activities are strictly carried out by controlling risks for each stock and analyzing financial health of enterprises before offering margin loan.

Monthly capital adequacy reports are reviewed by Internal Audit to ensure compliance with capital adequacy ratio regulated by law. The Internal Audit perform quarterly audit with financial statements to ensure material errors to be adjusted appropriately before disclosure. These reports are in compliance with accounting standards and provisions of law.

The SB proposed that the Internal Control continues to update the management processes and regulations frequently and periodically, to improve training and communicate to relevant employees to ensure each person to perform compliance.

Financial supervision

The Company prepared and disclosed periodical financial statements in accordance with regulations of by SSC. Semi-annual financial statements, financial safety ratio report, and annual report of 2019 were reviewed and audited by an independent auditor, i.e. Ernst & Young Vietnam Limited, in fulfillment with existing regulations.

2019 consolidated profit before tax resulted in VND 1,015.5 billion, completing the profit plan with the total revenue of VND 3,308 billion, reached 112% of expected revenue. Securities services, capital trading and investment activities took major parts of Company's revenue structure.

Coordination between the SB and the BOD, CEO and Shareholders

In the year 2019, the SB was in close coordination with and was created preferential conditions by the BOD, the Board of Management and the executives of the Company to carry out its supervisory duties. As a result, information and documents relating to corporate governance, business operations, and financial situation of the Company are adequately provided.